

ORIGINAL

14 THIS DEPOSITION CONTAINS CONFIDENTIAL
15 ATTORNEYS' EYES ONLY MATERIAL

The deposition of SUSAN BURNS, called
for examination, taken before GAIL LIVIGNI, a
Notary Public within and for the County of Will,
State of Illinois, and a Certified Shorthand
Reporter of said state, at Suite 200, 184 Schuman
Boulevard, Naperville, Illinois, on the 14th day
of February, A.D., 2002, at 9:00 o'clock a.m.

1 to tell these retailers that we are able to produce
2 a product that others can't unless they pay us
3 money to produce the product with our process?

4 MR. SCHROEDER: Objection, calls for
5 speculation.

6 BY MR. CASTRO:

7 Q. If you know.

8 A. My opinion is that we improved this
9 product by changing the color, but frankly other
10 people -- there were already better looking turkey
11 breasts out there.

12 Q. There were other turkey breasts that
13 already had the golden brown?

14 A. Right. I mean the reason that I
15 referred to, you know, in Rick's earlier memo when
16 it sounded like a bit of an embellishment because,
17 frankly, it just seemed like the right thing to do
18 was to improve the appearance of our product. It
19 was just the right thing to do.

20 Q. You wanted to improve the appearance of
21 the product in order to be competitive with other
22 products on the market, true?

23 A. Yes, and to make our products more
24 appealing to consumers. Our product didn't look

PTO-003424

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A RECORD OF EXCELLENCE

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1 v ry nice.

2 Q. Because at that time, the only product
3 you had was that white product?

4 A. That's correct.

5 Q. That was the only product that was
6 competing with your competitors?

7 A. Correct, at least under our key brands
8 like Butterball and Healthy Choice, that's correct.

9 Q. What you were trying to accomplish, were
10 you not, was the ability to be able to tell the
11 consumer or the retailer that what you now had was
12 a product that looked home-roasted?

13 A. Closer to that, that's true, yes.

14 Q. Yes. I think Chris Salm yesterday said
15 we could take the turkey out of the oven, you
16 wanted that look?

17 A. That's true.

18 Q. And other competitors already had that
19 look, true?

20 A. Some did, yes.

21 Q. Now, if Chris Salm yesterday testified
22 that the Eckrich brand was oil-browned, he was
23 mistaken, wasn't he?

24 A. Yes, it was part of this product launch,

PTO-003425

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**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA**

Case No. CIV-01-347-C

UNITHERM FOOD SYSTEMS, INC., an Illinois corporation;
and JENNIE-O FOODS, INC., a Minnesota corporation,

Plaintiffs,

v.

SWIFT-ECKRICH, INC., d/b/a CONAGRA
REFRIGERATED FOODS, a Delaware corporation,

Defendant.

**BRIEF IN SUPPORT OF
SWIFT-ECKRICH'S MOTION FOR ATTORNEY'S FEES**

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February 6, 2002

b. **The Undisputed Evidence Established That Plaintiffs Did Not Take Reasonable Steps To Preserve The Secrecy Of The Process.**

In addition, because Plaintiffs utterly failed to protect the secrecy of the process, they lost any entitlement to claim the process as a trade secret. “[A] trade secret must have *a substantial element of secrecy.*” John Zink Co. v. Zinkco, Inc., 1986 U.S. Dist. LEXIS 31000 at *28 (emphasis added). In CMI Corp. v. Jakob, 1980 U.S. Dist. LEXIS 16639 at *9-10, the device was not a trade secret because the owner leased and sold it to others “without restriction” and “invited everyone to come and see the machine in operation.” Id. at *9. Further, the extent to which the information was known to the owner’s employees and persons outside the company was “extensive,” and the owner took no “special precautions” to restrict information during development of the product. Id. at *9.

In this case, the undisputed evidence established that *neither Plaintiff* made any meaningful effort to protect the secrecy of the process. Unitherm repeatedly disclosed the process for several years to third parties without notifying those parties that the information was confidential nor requiring confidentiality agreements. Jennie-O did not sign a confidentiality agreement until months after it learned the process, and even when the agreement was in place, at least 50 to 75 of its employees worked with the process without ever agreeing to keep the process secret. Accordingly, the Court must find that Plaintiffs commenced and prosecuted the trade secret claim knowing that there were no protectable trade secrets.

c. **The Undisputed Evidence Established There Was No Misappropriation.**

Although Plaintiffs alleged that Swift-Eckrich was under a “duty to maintain the secrecy of Unitherm’s proprietary information” (FAC, ¶ 115), they were wholly unable to substantiate this claim. Unitherm’s president conceded that there was no evidence of any promise

by Swift-Eckrich to keep the process confidential at demonstrations in 1993 and 1995. Moreover, Mr. Mikelberg testified that Unitherm disclosed the process to him while he worked for Thorn Apple Valley and again when he worked for Swift-Eckrich -- and in neither instance did Unitherm require him to execute a confidentiality agreement. Manifestly, Swift-Eckrich could not have "misappropriated" information that Unitherm voluntarily gave to it without restrictions or conditions.

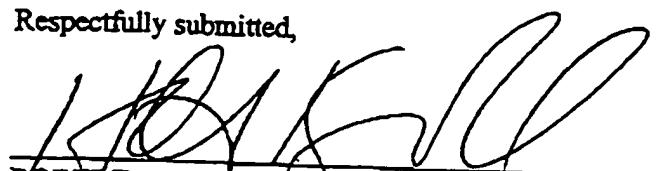
Here, as in Stilwell Dev. v. Chen, the evidence (primarily Unitherm's own admissions) establishes "there was no secret, no reasonable effort to maintain any alleged secrecy, and no misappropriation," and therefore, "[p]laintiff's trade secret claim was specious, at best." Id. at 1331.

2. Plaintiffs Engaged In Subjective Misconduct.

The speciousness of a claim is a factor in determining whether a plaintiff engaged in subjective misconduct. Stilwell Dev. v. Chen, 11 U.S.P.Q.2d at 1331. In Stilwell, the court "infer[red] that plaintiffs must have knowingly and intentionally prosecuted a specious claim" because they were unable to prove any elements of a trade secret cause of action. Id. In support of its conclusion that "[p]laintiffs could not have entertained any good faith, albeit mistaken, belief in bringing, much less maintaining, the trade secret claim," the court observed, first, that "plaintiffs had superior, if not exclusive knowledge whether they undertook any effort to maintain the alleged secrets; and second, "the legal issue of whether a publicly marketed product could be a secret is both well-established and straightforward." Id. The Stilwell court concluded:

Because plaintiffs knew, *ab initio* that they had no claim for trade secret misappropriation, their actions in bringing and persisting in trade secret claim evidence intentional aimed at harassing [the defendant] or at gaining an improper advantage by unjustifiably painting [defendant] as a dishonest and unfair defendant.

Respectfully submitted,


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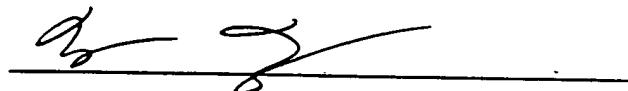
CERTIFICATE OF SERVICE

This is to certify that on this 6th day of February, 2002, a true and correct copy of the above and foregoing was filed and has been mailed, postage prepaid to:

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